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BOEHM, KURTZ & LOWRY

ATTORNEYS AT LAW 36 EAST SEVENTH STREET SUITE 1510 CINCINNATI, OHIO 45202 TELEPHONE (513) 421-2255

TELECOPIER (513) 421-2764

AUG 04 2011

PUBLIC SERVICE COMMISSION

Via Overnight Mail

August 3, 2011

Mr. Jeff Derouen, Executive Director Kentucky Public Service Commission 211 Sower Boulevard Frankfort, Kentucky 40602

Re:

Case No. 2011-00036

Dear Mr. Derouen:

Please find enclosed the original and ten (10) copies each of the <u>PUBLIC VERSION</u> of the RESPONSES OF KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC. to 1) BIG RIVERS ELECTRIC CORPORATION'S HEARING REQUEST NO. 1 and 2) ATTORNEY GENERAL HEARING DATA REQUEST NO. 1 AND COMMISSION STAFF HEARING REQUEST NO. 1. I also enclose the original and ten (10) copies of a PETITION FOR CONFIDENTIAL TREATMENT OF INFORMATION filed in the above-referenced docket.

By copy of this letter, all parties listed on the Certificate of Service have been served. I also enclose a copy of the <u>CONFIDENTIAL ATTACHMENTS</u> to be filed under seal. The Commission indicated during the Evidentiary Hearing that this information would be granted confidential treatment.

Please place these documents of file.

Very Truly Yours,

Michael L. Kurtz, Esq.

Kurt J. Boehm, Esq.

BOEHM, KURTZ & LOWRY

MLKkew Attachment

cc:

Certificate of Service

David C. Brown, Esq.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by electronic mail (when available) or by mailing a true and correct copy by overnight mail, unless other noted, this 3rd day of August, 2011 to the following

Michael L. Kurtz, Esq. Kurt J. Boehm, Esq.

Mark A Bailey President CEO Big Rivers Electric Corporation 201 Third Street Henderson, KY 42419-0024

Douglas L Beresford Hogan Lovells US LLP Columbia Square 555 Thirteenth Street, NW Washington, DC 20004

J. Christopher Hopgood Dorsey, King, Gray, Norment & Hopgood 318 Second Street Henderson, KY 42420

Mr. Dennis Howard Assistant Attorney General 1024 Capital Center Drive Frankfort, KY 40601

Honorable James M Miller Attorney at Law Sullivan, Mountjoy, Stainback & Miller, PSC 100 St. Ann Street P.O. Box 727 Owensboro, KY 42302-0727 Sanford Novick President and CEO Kenergy Corp. P. O. Box 18 Henderson, KY 42419

Melissa D Yates Attorney Denton & Keuler, LLP 555 Jefferson Street P. O. Box 929 Paducah, KY 42002-0929

Albert Yockey Vice President Government Relations Big Rivers Electric Corporation 201 Third Street Henderson, KY 42419-0024

COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In The Matter Of: The Application Of Big Rivers Corporation For	:		
General Adjustment of Rates		Case No. 2011-00036	
KENTUCKY INDUSTRIAL UTILITY (CUST	OMERS, INC.'S	
PETITION FOR CONFIDENTIAL		,	

Kentucky Industrial Utility Customers, Inc. ("KIUC"), by counsel, submits this Petition for Confidential Treatment filed pursuant to 807 KAR 5:001, Section 7 and KRS 61.878(1)(c), and states as follows:

During the Evidentiary Hearing that took place in Frankfort from July 26 – 28, 2011, the Attorney General, Commission Staff and Big Rivers Electric Corporation requested that KIUC provide certain information to the Commission and all parties by August 3, 2011. The Commission indicated that this competitively sensitive information would receive confidential treatment.

Accordingly, KIUC petitions the Commission for confidential treatment of Attorney General Hearing Data Request No. 1, Commission Staff Hearing Request No. 1 and Big Rivers Electric Corporation's Hearing Data Request No. 1.

Respectfully submitted,

Michael L. Kurtz, Esq.

Kurt J. Boehm, Esq. **BOEHM, KURTZ & LOWRY**

36 East Seventh Street, Suite 1510

Cincinnati, Ohio 45202

Ph: (513) 421-2255 Fax: (513) 421-2764

E-Mail: <u>mkurtz@BKLlawfirm.com</u> kboehm@BKLlawfirm.com

COUNSEL FOR KENTUCKY INDUSTRIAL UTILITY

CUSTOMERS, INC.

COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In	the	Ma	itter	of.

APPLICATION OF BIG RIVERS)
ELECTRIC CORPORATION FOR A) CASE NO. 20\$1-00036
GENERAL ADJUSTMENT IN RATES)

KENTUCKY INDUSTRIAL UTILITY CUSTOMERS RESPONSE TO ATTORNEY GENERAL HEARING DATA REQUEST NO. 1 AND COMMISSION STAFF HEARING REQUEST NO. 1 PSC CASE NO. 2011-00036 August 3, 2011

Attorney General Hearing Request No. 1

Please provide support for the testimony of Stephane Leblanc that net cash from the Sebree smelter after capital expenditures and tax over the last three years is close to zero.

KIUC CONFIDENTIAL RESPONSE

Please refer to AG/Staff Hearing 1 attached. (FILED UNDER SEAL)

COMMISSION STAFF Hearing Request No. 1

Please provide current information that would indicate an annual margin for the Sebree smelter at current LME prices.

KIUC CONFIDENTIAL RESPONSE

Please refer to AG/Staff Hearing 1 attached. (FILED UNDER SEAL)

All figures in \$ m	2009	2010	2011 June YTD	Total since 1.1.09
Income statement Revenue			÷	
Cost of Goods Sold	e . S			
Other Income and Expenses				
Profit before tax	1			
Federal and state income tax				
Profit after tax	2 2	į.	4	,
Underlying LME \$/mt	1,664	2,173	2,551	
Cashflow (post-tax)				
Kentucky state income tax (estimate) Included within Federal/State total above				

Notes:

- 1. Kentucky state income tax figure does not include impact of \$15m incentive package agreed with Commonwealth in 2010. Drawdown of this package not expected to commence until 2012 and will take up to 10 years.
- 2. Federal & State income taxes estimated based on Sebree results.
- Sebree results are included within consolidated corporate tax returns instead of the plant filing its own return
- 3. Tax losses are assumed to be offset against other Alcan/Rio Tinto taxes payable in year of occurrence.
- 4. No provisions for deferred tax.
- 5. Figures exclude impact of power contract compensation funds received from EON and Big Rivers.
- 6. Only Sebree plant as reported in line with Rio Tinto Business Unit reporting method is included. Figures do not incorporate certain activities related to Sebree plant that are carried out elsewhere within RTA.
- 7. Figures prepared under International Financial Reporting Standards.
- 8. These figures are not audited and are solely for the use of the Kentucky Public Service Commission and intervening parties in the Big Rivers rate case number 2011-00036.
- 9. Profits are net of depreciation
- 10. Cashflow differs from profitability mainly due to the impact of increased raw material costs upon inventory and capital investment in the plant.

COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In	the	Matter	of:
	·	TATREFER	U.

APPLICATION OF BIG RIVERS)
ELECTRIC CORPORATION FOR A) CASE NO. 2011-00036
GENERAL ADJUSTMENT IN RATES	` ·

KENTUCKY INDUSTRIAL UTILITY CUSTOMERS RESPONSE TO BIG RIVERS ELECTRIC CORPORATION'S HEARING DATA REQUEST NO. 1 PSC CASE NO. 2011-00036 August 3, 2011

BREC Hearing Request No. 1

Please provide the names of persons or groups Alcan has met with regarding the need for a long term solution.

KIUC RESPONSE

CONFIDENTIAL, (FILED UNDER SEAL)